

BOND RESOLUTION OF THE CALIFORNIA HOUSING
FINANCE AGENCY CONCERNING FINANCING
OF HOME OWNERSHIP AND HOME IMPROVEMENT
LOANS IN NEIGHBORHOOD PRESERVATION
AREAS PROGRAM

October 17, 1978

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for financial assistance for the purchase, rehabilitation or making of general repairs and improvements to residential structures of not more than four dwelling units (the "Residential Structures") located in areas of substantial deterioration of Residential Structures, and in areas in which there is a recent history of mortgage deficiency, but in which deterioration has not progressed so far that there exists a substantial number of Residential Structures which do not conform to rehabilitation standards;

WHEREAS, the Agency has determined that it is in the public interest for the Agency to provide such financial assistance by means of a program to purchase loans to finance Residential Structures or to finance the rehabilitation or general repairs or improvements to Residential Structures (the "Loans"), each such Loan being insured for at least the first fifty percent (50%) of the principal amount and accrued interest of the Loan by one or more of the following entities: the United States government or an agency or instrumentality thereof, the Agency, or private mortgage guaranty insurers, or guaranteed by the Veterans Administration;

WHEREAS, pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act (the "Act") the Agency has the authority to issue bonds to provide sufficient funds to finance the purchase of Loans, the payment of capitalized interest on the bonds, the establishment of reserves to secure the bonds, and other expenditures of the Agency incident to, and necessary or convenient to the issuance of the bonds;

WHEREAS, the Board of Directors of the Agency previously has approved the issuance of its Home Ownership and Home Improvement Revenue Bonds, 1978 Series D in the aggregate

principal amount of \$50 million (the "Bonds") in principle, the publication of the Notice of Bond Sale relating to the Bonds, and the circulation of the Notice of Bond Sale and Preliminary Official Statement relating to the Bonds;

WHEREAS, the Housing Bond Credit Committee in accordance with the Act has approved the purpose for which the Bonds are proposed to be issued and the amount of the proposed issuance;

WHEREAS, the Board of Directors of the Agency has determined that it is necessary to add to the limitations or restrictions contained in the Indenture other limitations or restrictions to be observed by the Agency which are not contrary to or inconsistent with the provisions of the Indenture, to surrender certain rights, powers or privileges reserved to or conferred upon the Agency in the Indenture, which surrender is not contrary to or inconsistent with the covenants and agreements of the Agency contained in the Indenture, or to add provisions clarifying matters or questions arising under the Indenture which are necessary or desirable and not contrary to or inconsistent with the Indenture; and

WHEREAS, the Board of Directors of the Agency hereby approves the issuance of the Bonds, the form of Supplemental Indenture relating to the Bonds between the Agency and the Treasurer of the State of California as trustee and the circulation of an Official Statement;

NOW, THEREFORE, BE IT RESOLVED, by the California Housing Finance Agency as follows:

Section 1. The Agency is of the opinion and hereby determines that the issuance of bonds in the aggregate principal amount of \$50 million is necessary to provide sufficient funds to finance the purchase of Loans pursuant to its Home Ownership and Home Improvement Loans in Neighborhood Preservation Areas Program.

Section 2. Pursuant to the Act, revenue bonds of the Agency, designated as the "California Housing Finance Agency Home Ownership and Home Improvement Revenue Bonds, 1978 Series D" in the aggregate principal amount of fifty million dollars (\$50 million) (the "Bonds") are authorized to be issued. The Bonds are to have the maturities specified in the Third Supplemental Indenture mentioned hereinafter as finally executed and are to bear interest at the rates specified in the bid accepted by the Treasurer of the State of California (the "State Treasurer") pursuant to the terms of the Notice of Bond Sale relating to the Bonds.

Section 3. The proposed form of Third Supplemental Indenture relating to the Bonds and containing certain amendments to the Indenture dated as of January 1, 1978, by and between the Agency and the State Treasurer as heretofore amended and supplemented (the "Indenture"), as presented to this meeting, is hereby approved. The President of the Agency (the "President") is hereby expressly authorized and directed, for and on behalf and in the name of the Agency to determine the Bond Reserve Account Requirement, the amounts representing the portions of the Principal Installments anticipated to be paid from regularly scheduled payments of the principal of Loans, the Permitted Amount, the Loan Prepayment Principal Requirements and the Specified Rate of Interest to be prescribed by such Third Supplemental Indenture. The President and the Secretary of the Agency (the "Secretary") are hereby authorized and directed, for and on behalf and in the name of the Agency to execute, acknowledge and to deliver to the Trustee thereunder a Third Supplemental Indenture in substantially said form, with such insertions and changes therein as the officers executing the same, with the advice of counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, the maturity dates, interest payment dates, denominations, forms, registration privileges, terms and place or places of payment, terms of redemption, security and other terms of the Bonds shall be as provided in said Third Supplemental Indenture as finally executed and in the Indenture. Payment to a bond reserve account in the California Housing Finance Fund established pursuant to said Indenture shall be made from the proceeds of the Bonds in the amount and to the extent provided in said Indenture and in said Third Supplemental Indenture as finally executed.

Section 4. The actions of the State Treasurer in selling the Bonds at the time and place and pursuant to the terms and conditions set forth in the Notice of Bond Sale as previously approved by the Board of Directors of the Agency are hereby adopted, ratified and confirmed. The State Treasurer is hereby instructed to cash and deposit the proceeds of the bid check received by the State Treasurer under the terms of the Notice of Bond Sale in a special trust account for the benefit of the Agency, and any actions heretofore taken by the State Treasurer to implement such instructions are hereby adopted, ratified and confirmed, and the amount of said check shall be applied at the time of delivery of the Bonds as part of the purchase price thereof or returned to said bidder as provided in said Notice of Bond Sale.

Section 5. The President and the Secretary are hereby authorized and directed to execute, for and on behalf and in the name of the Agency and under its seal, the Bonds, in the aggregate principal amount of \$50 million in accordance with said Indenture and said Third Supplemental Indenture and in one or more of the forms set forth therein.

Section 6. The Bonds, when so executed, shall be delivered to the Trustee under the Indenture and Third Supplemental Indenture for authentication by said Trustee. Said Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds when duly executed and authenticated to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Agency by the President, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Agency to execute and deliver to said Trustee. Such instructions should provide for the delivery of the Bonds to the purchaser or purchasers thereof, as determined and confirmed by the State Treasurer, upon payment of the purchase price thereof.

Section 7. After the Agency's entering into a contract for the sale of the Bonds pursuant to the Notice of Bond Sale, the President is hereby authorized to sign an Official Statement, in substantially the form of the Preliminary Official Statement relating to the Bonds previously approved by the Agency, with such changes and insertions therein as he may approve after consulting with counsel, and the circulation of said Official Statement to prospective and actual purchasers of the Bonds is hereby approved.

Section 8. The State Treasurer and officers of the Agency are hereby authorized and directed, jointly and severally to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this resolution.

I hereby certify that this is a true and correct copy of Resolution 78-95 adopted at a duly constituted meeting of the Board of Directors of the California Housing Finance Agency held on October 17, 1978.

ATTEST


Stuart Honse
Secretary